

"The net effect of the Court's decision is, of course, to insulate from effective legislation the time-proven skills of the Communist Party in subverting and eventually controlling legitimate organizations. Until such a group, chosen as an object of Communist Party action, has been effectively reduced to vassalage, legislative bodies may seek no information from the organization under attack by duty-bound Communists. When the job has been done and the legislative committee can prove it, it then has the hollow privilege of recording another victory for the Communist Party, which both Congress and this Court have found to be an organization under the direction of a foreign power, dedicated to the overthrow of the Government if necessary by force and violence."

Item. I will close the list with the repeated charge that the due process clause of the 14th amendment as applied by the Court consists only of the "evanescent standards" of each judge's notions of "natural law." The charge is most strongly supported by the opinions of Mr. Justice Black in *Adamson v. California*<sup>13</sup> and *Rochin v. California*,<sup>14</sup> to which I commend you.

I close the catalog not because it is exhausted. These constitute but a small part of Brutus' indictment and an even smaller proportion of the witnesses prepared to testify to the Court's grasp for power. These witnesses are impressive, however, for they are not enemies of the Court but part of it. Moreover, their depositions may be garnered simply by thumbing the pages of the recent volumes of the U.S. Reports, which is exactly the way that my partial catalog was created.

Let me make clear that this testimony does not prove Caesar's guilt, but only demonstrates that these charges cannot be dismissed out of hand. The fact that they are endorsed by such irresponsible groups as would support the proposed constitutional amendment does not add to their validity. But neither does such support invalidate them.

What then of Antony's defenses of Caesar?

First is the proposition that our Caesar has done no more than perform the duties with which he is charged. We have it from no less eminent an authority than Paul Freund that the Court has not exceeded its functions and he defines them thus:<sup>15</sup>

"First of all, the Court has a responsibility to maintain the constitutional order, the distribution of public power and the limitation on that power.

"A second great mission of the Court is to maintain a common market of continental extent against State barriers or State trade preferences.

"In the third place, there falls to the Court a vital role in the preservation of an open society, whose government is to remain both responsive and responsible. Responsive government requires freedom of expression; responsible government demands fairness of representation."

And so, Professor Freund suggests, the Court has done no more than its duty and he predicts that we shall be grateful to it:<sup>16</sup>

"The future is not likely to bring a lessening of governmental intervention in our personal concerns. And as science advances into outer and inner space—the far reaches of the galaxy and the deep recesses of the mind—as physical controls become possible over our genetic and our psychic constitutions, we may have reason to be thankful that some limits are set by our legal constitution. We may have reason to be grateful that we are being equipped with legal controls, with decent procedures, with access to the centers of

decisionmaking, and participation in our secular destiny, for our days and for the days we shall not see."

It is not clear to me that the second defense is really different from the first. Here we are met with the proposition that the Court, politically the least responsible branch of government, has proved itself to be morally the most responsible. In short, the Court has acted because the other branches of government, State and National have failed to act. And a parade of horrors would not be imaginary that marched before us the abuses that the community has rained on the Negro; the evils of McCarthyism and the continued restrictions on freedom of thought committed by the National Legislature; the refusal of the States and the Nation to make it possible for the voices of the disenfranchised to be heard, either by preventing groups from voting, or by mechanisms for continued control of the legislature by the politically entrenched, including gerrymandering, and subordination of majority rule by the filibuster and committee control of Congress; the police tactics that violate the most treasured rights of the human personality, police tactics that we have all condemned when exercised by the Nazis and the Communists. This list, too, may be extended almost to infinity. There can be little doubt that the other branches of Government have failed in meeting some of their essential obligations to provide constitutional government.

The third defense is that which I have labeled the defense of Caesar's will. It is put most frankly and tersely by Prof. John Roche in this way:<sup>17</sup>

"As a participant in American society in 1963—somewhat removed from the abstract world of democratic political theory—I am delighted when the Supreme Court takes action against bad policy on whatever constitutional basis it can establish or invent. In short, I accept Aristotle's dictum that the essence of political tragedy is for the good to be opposed in the name of the perfect. Thus, while I wish with Professors Wechsler and Kurland, inter alios, that Supreme Court Justices could proceed on the same principles as British judges, it does not unsettle or irritate me when they behave like Americans. Had I been a member of the Court in 1954, I would unhesitatingly have supported the constitutional death sentence on racial segregation, even though it seems to me that in a properly ordered democratic society this should be a task for the legislature. To paraphrase St. Augustine, in this world one must take his breaks where he finds them."

There then are the pleadings. I do not pretend to a capacity to decide the case. It certainly isn't ripe for summary judgment or judgment on the pleadings. I am fearful only that if the case goes to issue in this manner, the result will be chaos whichever side prevails. For, like Judge Learned Hand, I am apprehensive that if nothing protects our democracy and freedom except the bulwarks that the Court can erect, we are doomed to failure. Thus, I would answer the question that purports to be mooted today, whether the court-of-the-union amendment should be promulgated, in the words of that great judge:<sup>18</sup>

"And so, to sum up, I believe that for by far the greater part of their work it is a condition upon the success of our system that the judges should be independent; and I do not believe that their independence should be impaired because of their constitutional function. But the price of this

immunity, I insist, is that they should not have the last word in those basic conflicts of 'right and wrong—between those whose endless jar justice resides.' You may ask then what will become of the fundamental principles of equity and fairplay which our constitutions enshrine; and whether I seriously believe that unsupported they will serve merely as counsels of moderation. I do not think that anyone can say what will be left of those principles; I do not know whether they will serve only as counsels; but this much I think I do know—that a society so riven that the spirit of moderation is gone, no court can save; that a society where that spirit flourishes, no court need save; that in a society which evades its responsibility by thrusting upon the courts the nurture of that spirit, that spirit in the end will perish."

I find then that I have come neither to praise nor to bury Caesar. I should only remind those who would destroy Caesar of the self-destruction to which the noble Brutus was brought; nor can the Antonys among us—who would use Caesar for their own ends—rejoice at his ultimate fate. For Caesar himself, I should borrow the advice given Cromwell by Wolsey: "I charge thee, fling away ambition: By that sin fell the angels."

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

#### AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business, H.R. 11380.

The Senate resumed the consideration of the bill (H.R. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE].

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### VIETNAM—FRENCH VIEW ABOUT THE WEST'S PRESENT POLICY

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the Record an article entitled "Too Late in Vietnam?" published in the magazine the Economist for June 27, 1964. The article was written by a French reporter. The article sets forth, as the views of an eyewitness, what the Senator from Oregon and the Senator from Alaska [Mr. GRUENING] have been saying for 5 or 6 months on the floor of the Senate concerning our activities in South Vietnam. I hope Senators will read the article.

There being no objection, the article was ordered to be printed in the Record, as follows:

<sup>13</sup> 332 U.S. 46, 68 (1947).

<sup>14</sup> 342 U.S. 165, 174 (1952).

<sup>15</sup> Freund, The Supreme Court Under Attack, 25 U. Pitt. L. Rev. 1, 5-6 (1963).

<sup>16</sup> Id., at 7.

<sup>17</sup> Roche, The Expatriation Cases: "Breathes There the Man With Soul So Dead?" 1963 Supreme Court Review, 325, 326 n. 4.

<sup>18</sup> Hand, The Spirit of Liberty 164 (2d ed. 1953).

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## CONGRESSIONAL RECORD — SENATE

August 10

[From the Economist, June 27, 1964]

## INDOCHINA: TOO LATE IN VIETNAM?

(The following article, from a French reporter on South Vietnam, gives a dissenting French view about the West's present policy there.)

The situation in South Vietnam is going from bad to worse. General Khanh's regime is in a parlous state. His government is not in a position to win the war. Nor can it wage peace, or administer the provinces or inject a little life into the economy which is in a disastrous condition.

The army's heart is not in the fight with the Vietcong. It is ashamed of waging a civil war, it is ridden with cliques and it lives in a perpetual climate of suspected coups d'état. "Don't come home," a Vietnamese army corps commander who is also a member of the revolutionary committee wrote recently to compatriots, living in France, "I am staying on because I have a large family to feed, but there's chaos everywhere."

A westerner visiting the countryside not long ago was held up for half a day by a Vietcong detachment. While he was waiting, he was surprised to see several Government soldiers walking casually and unarmed through the village and asked his guards why they did not arrest them. "They come from [a local government outpost]. We have given them permission to do their shopping here," came the answer.

On another occasion, a French reporter was out in the field with an artillery battery that was advised by an American captain. The two stopped to have a drink, and when they came out of the hut were surprised to see the column about to make off in an unexpected direction. "We have just heard there is a strong Vietcong barrier on the road," the Vietnamese commander explained, "so we shall take another route." "But you can attack and break it up with your guns," said the astonished reporter. "If he"—designating the American officer with his head—"wants to go, he is free to do so. But this is not our war," replied the Vietnamese officer, climbing into his jeep and leading the convoy off in the opposite direction from the enemy.

There is no limit to such stories. This suggests that the leaders of the Vietnamese army and the ministers in Saigon would be well advised to look for opportunities to negotiate a peace. But they are too frightened of the Communists to dare. They fear that they would be tricked and then liquidated. The men now in power are haunted by the memory of the purges the Vietminh carried out in 1945 and 1946 among the "bourgeois" parties allied with it. The survivors of the two ultranationalist parties, the Dai-Viet (the greater Vietnam Party) and the Vietnam Quoc Dam Dang (the Vietnamese Kuomintang), who are at present, though barely, represented in the government, have neither forgotten nor forgiven the Communists. An intelligent and civilized Vietnamese diplomat told me recently: "We are irrevocably against the Communists as we were against Diem. We shall never treat with them. If we did, we would be signing our death warrants. If the only way out were to negotiate I would prefer to leave Vietnam forever and take out French naturalization papers."

The trouble, from the point of view of these men, is that today, after 20 years of civil war, the majority of the population, save for some of the middle class and the Catholics, are so weary of strife, of police rule and of economic stagnation that they would be ready to endorse any regime, any team, capable of bringing peace. Needless to say, this does not favor General Khanh and his junta.

The best gage of popular feeling is the attitude of the Buddhist clergy. They are

lending an increasingly attentive ear to advocates of neutralism and criticizing more and more bitterly the government's inability to produce peace. At the other extreme the Catholics—the hard core of whom are the refugees from Tonkin—are charging General Khanh with doing too little to wage the war. The hostility between the two religious groups, with the memories of the Diem regime's persecution of the Buddhists still not healed, has again been reaching critical proportions. Thus, recently, the Vietnamese Catholic hierarchy has openly defied Maj. Dang Sy, the Catholic and "valiant anti-Communist warrior" who gave the order to fire on the Buddhist demonstrators at Hue on May 8, 1963.

In this situation the rebel movement, the Liberation Front of South Vietnam, has taken a very adroit line. It insists it is not a communist movement and would be content for a neutralist "bourgeois" government to be set up in Saigon. It says that it is not a North Vietnamese pawn; that it means to respect the "autonomy" of the south in relation to the "brothers" of the north. It is not even possible to say these claims are false—only time can show that. Meanwhile they serve to point the contrast with the all too open American support for General Khanh. Today, he enjoys the backing neither of the Buddhists nor of the famous "sects" that have stayed clear of any commitments.

Probably a truly free vote would show that the great majority of the Vietnamese want two things—peace and independence both from the Americans and North Vietnam. But even then it would not be possible to ignore the problem posed by the liberation front, with its roots stretching everywhere, its cadres who are the most honest and energetic in the country, and above all its formidable army. The only question is whether it can be crushed—as the Americans have so far vainly tried to do—or tamed by being brought into the open, in political and parliamentary terms, with all that that implies, in particular in terms of a socialist-run economy.

The more time passes, the harder it becomes to ignore this second possibility, little as it cheers anyone in the West. The Americans are trying to bolt the frontiers and cut off northern aid. This is what the French did on the frontiers of Algeria, but without success, because the conflict was in the first place an internal one. To threaten Peiping with reprisals is of no use when the sources of the civil war lie in South Vietnam itself.

From numerous conversations with leaders in North Vietnam and the liberation front and from what has been learned of their positions behind closed doors at international communist meetings, this correspondent is convinced that it would be an error for the West to look for a solution in Peiping. To deal with the Chinese as if they were already the masters of Vietnam would be to pull the rug from under the feet of the Vietnamese in Hanoi and the underground, who are strongly nationalist in their outlook. The assent of Mr. Mao Tse-tung would be necessary. But first one must negotiate with the Vietnamese themselves.

The fact is that there are American troops in South Vietnam today, but not Chinese ones, and if the South Vietnamese have no stomach for the fight with their brothers in the Vietcong, it will be very hard to screw them up to a more combative spirit. Vietnamese affairs are, after all, those of the Vietnamese more than of America or China. The day General Khanh wishes to deal with his communist compatriots he will not need a go-between: his own brother is a high official in Hanoi controlling North Vietnamese industry. Most of the families of this unhappy country are

similarly divided, with members on both sides.

## GERMANY AND EUROPE

The European world is composed of many states of various character, whose differences, whose exertions, whose mental competition make up our civilization. Many of these states are weak, but some are very strong. If we allow the strong and powerful to prey upon the small and feeble, our existing civilization will be impaired, enfeebled, if not destroyed—its stimulating varieties will be killed and extirpated—a monotonous and sluggish uniformity will soon pervade, deform, and degrade the whole. The rights of the smaller states are not to be maintained merely as barren rights; they are to be maintained for the same reason as liberty in general, because they tend to promote movement and variety, progress of thought, and play of mind throughout the civilized world. Equality is the bane of states within; uniformity is the bane of states without—the bane of the world at large. Some years ago it would have been thought absurd to speak of Germany as a large state whose force could injure a smaller one. It was known as what it is, an ill-knit, half-decomposed, headless mass; and because it was useful for ordinary and useful for combined action, it was believed it would be incapable of spasmodic and irritable misdeeds. But just because it is headless, it is active in what is evil of a large territory—disunion; it has a great powers have competed for the headship; and a people, good in themselves, but unskilled in politics, untempered by experience, uncalculating and unforeseeing, are naturally tempted by the foolish flattery of two courts which hope to win them by trying to please them. Germany has the besetting evil of a large territory—disunion; it has a great curse to a civilized people—absolute government; and yet it has the worst evils of the most contracted community—it is now ruled by a blast of popular impulse, like a petty town republic, whose people met in the marketplace and voted offhand as their own fancies dictated. Germany is not a power to be indulged because she is divided; she is rather to be suspected and resisted on that very account; for in her present state her foreign affairs are guided by vying despots outbidding each other for the favor of the masses. She has the unscrupulousness of despotism, and the impulsiveness of democracy.

Mr. MORSE. Mr. President, in the last paragraph of the article by the French correspondent it is pointed out that the military dictator Khanh, whom we are supporting in South Vietnam with American blood as well as money to the tune of \$3.5 billion, has a brother who is the director of all industry in North Vietnam.

For 5 or 6 months in my speeches I have said that in South Vietnam we are dealing with a civil war problem. The Pentagon almost goes into a political paralytic stroke when someone suggests that we are involved in a civil war in South Vietnam. But so we are and have been from the beginning. As I said Saturday, if we go into South Vietnam and into North Vietnam, so far as the people are concerned, we cannot tell the difference because they are all of one nationality and race. But unfortunately the people in North Vietnam have been sucked in by communism. The people in South Vietnam are being dominated by a military dictatorship. The people in North or South Vietnam do not know what freedom is. As the Republican Representative whom I quoted last week wrote to me, the people of Vietnam would



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not recognize democracy if they met it on the streets of Saigon, for they have never been allowed to enjoy it in either North or South Vietnam.

#### AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

##### A NEW LOOK AT FOREIGN AID

Mr. HUMPHREY. Mr. President, we are nearing both the halfway point in the decade of development, and the end of the current term of the incumbent administration. This is an opportune time for taking a new look at foreign aid so that we may intelligently chart our course for the years ahead.

For the foreign aid program, these have been an eventful 4 years. Since 1960, support for foreign aid has substantially increased in the United States, and the tempo of foreign aid activity has been stepped up around the world. Today, few question the need for a strong, effective foreign aid program.

Both of our political parties have continued to support foreign aid, despite disagreements about its size and content. The 1964 Republican Party platform, while suggesting revisions, recognizes that foreign aid is a vital national program, as, indeed, will the Democratic Party platform.

Public support for foreign aid has continued. The polls show that an increasing number of Americans consider foreign aid essential. Support among business leaders continues to increase, reflecting the growing awareness of American businessmen of the importance of foreign aid in developing a community of free and prosperous nations.

##### INCREASED INTERNATIONAL COOPERATION IN FOREIGN AID

Following our example, other countries have begun to play a more significant role in foreign aid. We can be proud of our leadership in launching the great international development effort now underway. Today, foreign aid is not just an American program, or even a program of the developed nations. It is an international program, supported by nations large and small, rich or poor.

A dramatic example of the kind of international cooperation now taking place in foreign aid is the development of the Mekong River Basin in southeast Asia, in which the United States, Canada, the Philippines, Australia, the United Kingdom, New Zealand, Japan, India, France, Pakistan, Iran, the Republic of China, and Israel all are participating. Topographic maps are being prepared by the Americans and Canadians. The Canadians and Filipinos are preparing damsite and irrigation plans. Geological studies for the damsite are being conducted by the Australians.

U.S. engineers are studying rainfall and stream flow. Navigational work is being carried out by the United Kingdom and New Zealand. Japanese and Amer-

ican engineers are preparing engineering studies for dam construction. French scientists are investigating the effects of proposed dams on sedimentation and fisheries. Japanese, French and United States engineers are preparing reconnaissance surveys on irrigation and power development. Pakistan is planning an irrigation distribution system for one dam. Israel is assisting with irrigation design at another. Israel, the Republic of China and Iran have donated materials. Various international organizations also are participating, including the U.N. Special Fund, which is supporting a hydrographic survey; the world meteorological organization, which is assisting with rainfall and streamflow surveys; UNESCO, which is studying water volume and density; and the U.N. Food and Agriculture Organization, which is setting up experimental farms. Other technical assistance is being provided by the International Labor Organization and the International Atomic Energy Agency.

##### FOREIGN AID OBJECTIVES RECONSIDERED

Despite increased acceptance, foreign aid is still plagued by questions about its objectives and doubts about its effectiveness.

The major question about objectives is whether foreign aid should be primarily a political or an economic program. Those making the political argument contend that foreign aid should be used to support the foreign policy objectives and security needs of the United States, and that economic development should be a secondary consideration. Those who argue for the economic point of view say that lasting economic and political benefits can be achieved from foreign aid only if it is used for long-range economic development.

The fact that foreign aid has attempted to serve both of these objectives has led some to argue that the program lacks clearcut purpose and direction. Some have even sought to devise ways of separating the long-term economic from the short-term political, only to realize the difficulties of separating political from economic factors.

Earlier this year a presidential commission found that it would be difficult to improve upon the present form and organization of foreign aid. Implicit in this decision was the recognition that the program serves a dual political and economic purpose, which in turn is best served by the present structure and functions of the foreign aid agency. Perhaps as a result of this decision, it will now be possible to arrive at a consensus that foreign aid is both a political and an economic program, and that these two purposes are interrelated and inseparable.

Foreign aid is an economic program. It seeks to increase the economic strength and vitality of nations struggling to free themselves from the trap of poverty. But foreign aid is also a political program. It seeks to promote the freedom and democratic growth of less-developed countries and the creation of a

community of free and prosperous nations.

Within each developing country, economic and political development are part of a circular process in which self-government depends upon economic survival, which in turn depends upon a framework of law and administration conducive to economic activity. In order for a country to develop, political as well as economic factors therefore must be taken jointly into account in providing assistance.

Some critics of the foreign aid program insist that it directs resources from domestic consumption. This argument is misleading in that it implies that the foreign aid program is unique in this respect. In reality all the principle instruments of our foreign policy divert resources—our military forces, our diplomatic community, our space program—as well as the aid program. But if one understands the true function of foreign aid, as one essential instrument of our foreign policy, then one will accept it as a normal tool which the United States must use in exercising its role as defender of the free world.

##### APPRAISAL OF THE EFFECTIVENESS OF FOREIGN AID

Questions about the effectiveness of foreign aid as an instrument of foreign policy are to be expected. How effective has it been? The results of the Marshall plan, both economic and military, are apparent. The results of assistance to the less-developed countries, on the other hand, are more difficult to assess, largely because they are inconclusive. In foreign aid as in politics it pays to wait until the results are in.

This takes time and patience. Only after 10 years were we able to evaluate the Marshall plan. Decades will be required before the effectiveness of assistance to the less-developed countries, which lack an industrial base and financial resources, can be adequately assessed—either the actual development of these countries, or the political benefits to be gained from providing assistance.

After investing about \$105 billion in foreign aid since 1946, how can we reckon its results in the less developed world, which has received about \$55 billion, while Europe and Japan received about \$50 billion? Of the \$55 billion, about \$3 billion was for UNRRA and other postwar rehabilitation, while another \$6 billion was food for peace; \$15 billion was for military assistance as such, while another \$21 billion was for related economic aid under what is now called "supporting assistance." The remaining \$13 billion was long-term assistance, primarily economic in character. Of this, technical assistance, which originated in the Point 4 program, was about \$2 billion. Export-Import Bank loans were another \$5 billion.

##### EVALUATION OF SECURITY ASSISTANCE

Security assistance, which includes military assistance together with related economic aid, has consumed two-thirds of all aid funds, counting food for peace, invested in the less developed countries since 1950. How can the results of this

assistance be measured? One measure is the success of particular countries in resisting the Communists. In Korea, the Communists were fought to a standstill and half the country remains free of Communist rule. Taiwan has been enabled to reach economic self-sufficiency partly by virtue of its military readiness. The tenuous independence of Laos has been supported by arming non-Communist forces. India was able to fight back after Red Chinese aggression and now is better prepared to meet future attack. In Latin America, we have assisted Venezuela in combating internal Communist subversion through various programs of military and paramilitary assistance.

Another measure of the effectiveness of military assistance is the increased military assistance is the extent to which sulking from increased military capability in the less developed countries.

A third measure of the effectiveness of military assistance is the extent to which local forces have relieved the United States from having to station its own troops abroad. This has had an incalculably good effect on the development of our own country, and this in turn has helped strengthen America's position in world affairs.

#### EVALUATION OF DEVELOPMENT ASSISTANCE

Counting food for peace, one-third of all aid funds invested in the less-developed countries since 1950 has been devoted to nonmilitary development assistance. This includes development loans and grants, technical assistance and related activities. By contrast with security assistance, the purpose of which is to maintain order and territorial integrity, the purpose of development assistance is, as the word conveys, to help with long-term political and economic development, together with related areas of development such as education.

The first fact to recognize when evaluating the effectiveness of development assistance is that only in more recent years has this type of assistance become the major emphasis of our aid to less developed countries. During most of the decade following the Korean war the foreign aid program was primarily directed toward maintaining the security of less developed countries against Communist aggression. In 1953, for example, about 90 percent of all foreign aid to the less developed countries was for the purpose of security, and only 10 percent for development. In 1956, 75 percent of all aid was still being used for security. By 1960, 50 percent was still being used for security. At the present time, security assistance comprises less than one-third of the total.

When we consider the question "What has foreign aid accomplished?", it is important, therefore to begin by understanding what we mean, as far as the less developed countries are concerned, by "foreign aid." What we are really talking about is a total of \$13 billion, or \$19 billion if food for peace is included, in development assistance spent mostly over the last 5 to 7 years. The remainder was emergency aid for security purposes following the Korean war.

What has been accomplished by this amount of development assistance? Overall, some 14 less developed countries have become sufficiently self-supporting that aid can be terminated in the near future. Two other countries, India and Pakistan, which together have been receiving almost half of all development assistance, are making substantial progress toward self-sustaining growth. India, for example, has been making remarkable progress, despite conditions of extreme poverty and harassment from the Chinese. In recent years, India's production of basic industrial products has increased rapidly, largely as a result of foreign aid.

During the last year of reported figures, industrial production increased 8 percent. Production of aluminum increased from 20,000 tons to 43,000 tons, in just 1 year. The output of machine tools, so essential for industrial development, expanded by more than 50 percent during the year. The production of nitrogenous fertilizers, so essential for greater agricultural productivity increased by 40 percent.

Malaria, which affected 100 million people a year in 1947, has almost been wiped out in India. Besides helping to increase life expectancy from 27 to 42 years, this dramatic achievement has helped substantially in increasing agricultural and industrial production.

In education, India, which had a literacy rate of only 19 percent in 1947, now has 80 percent of its children under 12 in school.

The results of all of these advances will become fully apparent only in the years ahead. Children now in school will have to mature and assume the responsibilities of adults before education will pay off in development. In industry and agriculture, basic work now underway will be felt only as dams are completed, highways are built, improved crops are raised. But the foundations are being laid, and foreign aid has been effective in helping India take these beginning steps toward development.

#### ACCOMPLISHMENTS OF THE ALLIANCE FOR PROGRESS

In Latin America, where major development assistance began only after the Alliance for Progress was established in 1961, encouraging progress is being made. Despite the great difficulties encountered in transforming the societies of Latin America, 11 countries have initiated significant tax reforms, 10 countries have passed land reform legislation, and 3 others have legislation pending. Ten countries have exceeded the goal of a 2.5 percent annual growth rate called for by the Alliance. The total value of Latin American exports increased 7 percent in 1962, the last year for which figures were available, and trade within the region rose by 12 percent. Equally important, between 1957 and 1962, U.S. manufacturing affiliates in Latin America increased their sales by 70 percent.

By June 1965, more than 300,000 new homes, some 36,000 classrooms, more than 2,000 water systems and some 600 hospital and health units will have been

built in Latin America with our help. Three hundred thousand farm credit loans will have been built in Latin America with our bulk. Three hundred thousand farm credit loans will have been issued. Eleven million textbooks will have been printed.

Most of the Alliance countries have improved their tax administration capacities. In a number of these—such as Chile, Colombia, Ecuador, Peru, Argentina, El Salvador, Mexico and Bolivia—these administrative changes promise to be, sweeping. U.S. Internal Revenue Service teams have been assisting tax reform efforts in 10 countries and will soon be helping in 4 others.

Progress in basic agrarian reform has been slow, but there has been some encouraging movement particularly in Venezuela and now in Peru. Cooperatives and credit unions are growing. For example, rural electric cooperative activity has begun in a dozen countries. Colonization and land settlement programs are active in half a dozen countries. Progress continues in the introduction of new legislation and in issuing regulations for the administration of existing laws. Twelve countries have already introduced agrarian reform legislation. The agrarian reform institutes, or land reform agencies in these 12 countries, have greatly strengthened their technical resources and show encouraging progress in conducting basic surveys and project development. AID is assisting in this rural development effort through the co-operation of the land-grant colleges.

Fifteen countries have self-help housing programs. Savings and loan legislation has been adopted by nine countries: Chile, Dominican Republic, Ecuador, Peru, Venezuela, Argentina, El Salvador, Guatemala, and Panama. The first five of these countries now have operating systems—a total of nearly 70 savings and loan associations with 100,000 depositors who have accumulated deposits equivalent to more than \$35 million. These associations provide savings badly needed for productive investment.

The building of new institutions to channel savings into investment is clearly seen in the establishment of development banks, or other intermediate credit institutions, in most of the Latin American countries. Since the inception of the Alliance, private or public development banks have been set up or are in the process of creation in eight countries: Bolivia, Brazil, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, and Panama. In addition, the Central American Bank for Economic Integration—CABEI—has been established and is promoting private sector development in member countries.

These are but a few of the developments which have occurred during the past 3 years in the area described by President Kennedy as "the most critical area in the world." I do not pretend that all the problems have been solved, that all the needs of the Latin American people have been met. What is important is that we recognize that progress has been made, that attempts have been initiated to accomplish the structural economic and social reforms needed, if the